

South Carolina Energy Advisory Committee

November 28, 2001 Meeting Minutes

Attachment A includes a list of committee members who attended.

Attachment B is the entire presentation given by the SCEO.

The Energy Advisory Committee (EAC) meeting began at 1:05 p.m. The topics of discussion are arranged under each agenda item in the order that they occurred.

I. Introduction & Welcome

- Chairman Reid recognized the tragedy on September 11, 2001 and mentioned the South Carolina Energy Office's (SCEO) role in developing an energy emergency plan for the state;
- The state budget crisis will not severely impact the 2001-2002 activities of the SCEO;
- The letter from the Legislative Audit Council was meant to inform EAC members about the audit and not as a requirement for action by the EAC members. Chairman Reid suggested that the EAC provide any necessary input during the comment period following completion of the audit;
- Research continues for alternative communication methods that would be viewable by the public, allow the Committee to continue discussions over a period of time, and reduce transportation fuel consumption by the members;
- Nancy Vinson requested that merchant power plants be discussed in Other Business.

II. Approval of Minutes from August Meeting

- Bob Long moved for approval of the minutes;
- The Committee unanimously approved the minutes.

III. Staff Response to Committee Questions from August Meeting

- Jim Cumberland commented on an error in the document and it was clarified by Janet Lockhart;
- Gerald Caughman mentioned that the SCEO's annual operating expenses are about \$1 million and are covered by the DOE grants and interest.

IV. 2001-2002 Strategic Plan

- Carmen Harper presented information on the progress of implementing the Strategic Plan;
 - Areas covered include:
 - Energy Conservation & Efficiency in Public Facilities,
 - Energy Policy & Awareness, and
 - Transportation Conservation & Diversification.
- Tricia Tangney elaborated on the SCEO's role in sponsoring the Clean Cities program (see Attachment A for both presentations);
- Members posed several questions about the Transportation Program Area:

- *What is the possibility of an ethanol production facility locating in SC?*
The federal tax credit for ethanol production will exist until 2007 and will likely be extended. Also, the Southeast has recently seen an increase in ethanol production facilities.
- *Will alternative fuel prices be competitive after elimination of the fuel sales tax?*
With the typical price of alternative fuels around \$1.10, they will be preferable to gasoline if the price of oil increases.
- *How does the SCEO encourage retail stations to store alternative fuels?*
The SCEO plans to work with fuel stations near large government facilities such as Fort Jackson to encourage them to supply alternative fuels for the fleets.
- *Is assistance available for local governments to develop Energy Elements for their Comprehensive Plans?*
The SCEO does not provide technical assistance but the guide to *Preparing an Energy Element for the Comprehensive Plan* explains in detail how to develop an Energy Element.
- *Has anyone in SC explored the idea of persuading fuel stations to use extra tanks for alternative fuels since it requires little or no capital investment rather than building an entirely new facility?*
Clean Cities Coordinators in Rock Hill have spoken with several retailers about that option.
- *Does the SC Department of Transportation support the elimination of the sales tax on alternative fuels?*
The DOT has been involved since the beginning in drafting the policy and do support the legislation. Their concern is recovering the cost of road construction so the Clean Cities coalitions are trying to find a way to satisfy the needs of the DOT as well.
- *Who is the sponsor for the alternative fuels legislation?*
No sponsor has been determined but there is interest from Representatives on the Agriculture and Natural Resources Committee.
- Mr. Caughman requested that the Strategic Plan update for 2002-2003 include an energy outlook.

V. South Carolina's Energy Emergency Plan

- Kate Billing presented an overview of the SC Energy Emergency Plan and the SCEO's role in statewide emergency preparedness.
- Areas covered include:
 - Emergency Support Function 12 within the State Emergency Operations Plan
 - Energy Emergency Information Coordinators Program
 - Energy Information Administration 782C data collection (fuel oil consumption reports)
 - Administration of the Energy Emergency Response Plan

VI. Other Business

- Chairman Reid asked Ms. Harper to elaborate on the Million Solar Roofs Initiative meeting sponsored by the SCEO.
- Ms. Vinson inquired as to the opinions of other members on merchant power plants in the state. Chairman Reid said that the law does not specify a role by the SCEO at this time.

Mitch Williams stated that the Public Service Commission (PSC) was actively investigating the issue of merchant power plants.

- Marc Tye provided more detailed information about the landfill methane power generation project in which Santee Cooper was a partner.
- Jim Grahl raised a question about the Strategic Plan Objective to increase lighting quality to 70 foot-candles, saying that the code specifications were questionable. Ms. Lockhart asked that he speak with Tom Hudkins in the SCEO about the issue.
- Jim Herritage asked if someone from the PSC could be invited to each meeting. Chairman Reid requested that the PSC be notified of the meetings in the future.

The meeting ended at 3:05 p.m.

Attachment A

Committee Members In Attendance

1. Gerald Caughman
2. Corky Clark
3. Ken Cosgrove
4. Jim Cumberland
5. Jim Grahl
6. Jim Herritage
7. Bob Long
8. Eddie Plowden
9. Phil Porter
10. David Reid
11. Marc Tye
12. Nancy Vinson
13. Mitch Williams

Attachment B
SCEO Presentation

Energy Advisory Committee

November 28, 2001



Progress of the 2001-2002 Strategic Plan

- Energy Conservation and Efficiency in Public Facilities
- Energy Policy and Awareness
- Transportation Conservation and Diversification



Energy Conservation and Efficiency in Public Facilities

Program Objectives:

1. Reduce energy consumption in targeted public facilities by three percent;
2. Achieve an energy cost avoidance of three percent of projected annual energy expenditure for targeted public facilities;
3. Increase lighting quality in ten low-income public schools to meet code (70 foot-candles) at the greatest cost efficiency through implementation of lighting retrofits.



Energy Conservation and Efficiency in Public Facilities

OBJECTIVES:

1. Reduce energy consumption in targeted public facilities by three percent.
2. Achieve an energy cost avoidance of three percent of projected annual energy expenditures for targeted public facilities.

PROGRESS:

- Rebuild South Carolina
- Rewards for Higher Education Energy Efficiency Projects
- Schools Lighting Grant Initiative



Energy Conservation and Efficiency in Public Facilities

Rebuild South Carolina:

- Greenville County Square lighting retrofit

Other Targeted Public Facilities:

- The Citadel
- Department of Mental Health
- Greenville County (pursuing more than one project)

Potential Savings

\$55,901

2,928 MMBtu



Energy Conservation and Efficiency in Public Facilities

Rewards for Higher Education Energy Efficiency Projects:

- Clemson University
- SC State University
- Medical University of SC
- USC- Columbia
- USC- Spartanburg

Potential Savings

Unknown until they send projects in for approval



Energy Conservation and Efficiency in Public Facilities

OBJECTIVE:

3. Increase lighting quality in ten low-income public schools to meet code (70 foot-candles) at the greatest cost efficiency through implementation of lighting retrofits.

PROGRESS:

- Schools Lighting Grant Initiative



Energy Conservation and Efficiency in Public Facilities

Schools Lighting Grant Initiative:

- Barnwell School District 45
- Dillon School District 1
- Dillon School District 3
- Greenwood School District 51
- Hampton School District 2
- Lee County School District
- Marion School District 2
- Marlboro School District
- Sumter School District 2
- Williamsburg School District

Potential Savings

\$92,136

3,944 MMBtu



Energy Policy and Awareness

Program Objectives:

1. Increase K-12 student awareness of energy conservation practices in 75 percent of the students we reach;
2. Increase public awareness of energy conservation practices and policy issues in 70 percent of the customers we reach;
3. Increase the use of landfill gas energy by five percent through the Landfill Methane Outreach Program;
4. Increase the use of biomass energy by five percent through the Southeastern Regional Biomass Energy Program.



Energy Policy and Awareness

OBJECTIVE:

1. Increase K-12 student awareness of energy conservation practices in 75 percent of the students we reach.

PROGRESS:

- National Energy Education Development Project (NEED)
 - Pre-test v. Post-test scores
- Environmental Education web site
 - Focus groups with teachers at Energy 2 Learn



Energy Policy and Awareness

OBJECTIVE:

2. Increase public awareness of energy conservation practices and policy issues in 70 percent of the customers we reach.

PROGRESS:

- Presentations and information materials
- Survey cards

**Increased Awareness
TOTAL for presentations
and materials = 84 percent**



Energy Policy and Awareness Survey Cards

Thank you for contacting the South Carolina Energy Office for information. In order that we may serve you better, please complete this questionnaire and place in this mail. The postage has been paid. Thank you for your comments!

Please rate the service and information you received by circling the appropriate number choice.

| | 1 | 2 | 3 | 4 | 5 |
|--|---|---|---|---|---|
| 1. Speed of reply | | | | | 5 |
| 2. Courtesy of reply | | | | | 5 |
| 3. Quality of information | | | | | 5 |
| 4. Increased my awareness of energy issues | | | | | 5 |

Rating Scale
 1- Terrible
 2- Poor
 3- OK
 4- Good
 5- Excellent

Please tell us how this information helps you and provide any additional comments about our service. *WOW! I felt like I had just hung up the phone and here it was! The book is thoroughly complete and though we've been looking at these issues for a while there were new values raised and ideas presented. Thorough, but*



Energy Policy and Awareness

OBJECTIVE:

3. Increasing the use of landfill gas energy by five percent through the Landfill Methane Outreach Program.

PROGRESS:

- Santee Cooper Green Power project
- Five with signed agreements
- Eleven others in discussion stage

**Increased Use
of Landfill Methane**
100 percent



Energy Policy and Awareness

OBJECTIVE:

4. Increase the use of biomass energy by five percent through the Southeastern Regional Biomass Energy Program (SERBEP).

PROGRESS:

- Solicitation for SERBEP funding issued in January 2002 so no projects have been identified.

**Increased Use
of Biomass**
0 percent



Transportation Conservation and Diversification

Program Objectives:

1. Reduce petroleum fuel consumption in targeted locations by five percent through the reduction of miles traveled;
2. Increase alternative fuel availability by ten percent;
3. Increase alternative fuel consumption in the State Fleet by five percent.



Transportation Conservation and Diversification

OBJECTIVE:

1. Reduce petroleum fuel consumption in targeted locations by five percent through the reduction of miles traveled.

PROGRESS:

- A. Implement demonstration project with two local governments to reduce trips, therefore reducing miles traveled.
- B. Fund components for telecommuting program development in two state agencies.
- C. Assist five state agencies in implementing e-government services for their customers.



Transportation Conservation and Diversification

A. Implement demonstration project with two local governments to reduce trips, therefore reducing miles traveled.

- 1994 Comprehensive Planning Act
- *Preparing an Energy Element for the Comprehensive Plan*
- Request for Proposals
- Develop workshops on designing Energy Element



Transportation Conservation and Diversification

B. Fund components for telecommuting program development in two state agencies.

- Telecommuting v. Telework
- Department of Health and Human Services
- Department of Health and Environmental Control- Division of Air Quality



Transportation Conservation and Diversification

C. Assist five state agencies in implementing e-government services for their customers.

- Contract awarded to Office of Information Resources in August
 - Show difference in service usage before and after implementation of e-government
 - Compute mileage reduced by customer using the e-government version
- No agencies partnered yet



Transportation Conservation and Diversification

OBJECTIVES:

2. Increasing alternative fuel availability by ten percent;
3. Increasing alternative fuel consumption in State Fleet by five percent.

PROGRESS:

- D. Fund development of two alternative fuel refueling stations.
- E. Coordinate activities of two regional Alternative Fuel Vehicle stakeholder coalitions.



Clean Cities Overview

- Locally based, voluntary public/private partnership coordinated by DOE
- Expand the use of alternative fuels identified in EPAct92
 - ★ CNG, electricity, ethanol (E85), propane, biodiesel
- 82 Communities are designated
- 240,000 AFVs nationwide, 4,000 refueling stations



Clean Cities Goals

- Expand refueling infrastructure
- Support regulated fleets
- Create new jobs and commercial opportunities
- Advance clean air objectives
- Increase public awareness
- Develop "Clean Corridors"
- Comply with legislation



SCEO and Clean Cities

- Provide coordinator salaries for Central Midlands and the Catawba/Centralina Coalitions
- Stakeholder in both Coalitions
- Information clearinghouse on AFV policy, technology and legislative issues
- Act as liaison between DOE and local coalitions



Central Midlands Clean Cities Coalition

- Formed March, 1999
- Public and private stakeholders
- Advancing the Choice Event: May 2001
- Primary point of contact for state legislative issues
- Historically housed at CMCOG, but contract now up for bid



Central Midlands Vehicles and Infrastructure

- COG will purchase seven CNG buses this spring
- Roughly 800 AFVs in public fleets in Columbia
- SCE&G CNG station retrofit
- DHEC E-85 dispenser
 - ★ Will be open to federal, state and local government fleets



Catawba/Centralina Clean Fuels Coalition

- Formed May, 1999
- Bi-state effort between North and South Carolina
- Advancing the Choice Event: September, 2000
- Active stakeholder recruitment
- Submitted Program Plan to DOE in January, 2000. Waiting for final fleet survey from North Carolina.



Catawba/Centralina Vehicles and Infrastructure

- SC fleet survey complete, over 300 AFVs in the Rock Hill area.
- Last year, Post Office purchased 250 flex-fuel postal vehicles.
- Ethanol refueling station project
 - ★ DHEC award of \$400,000
 - ★ Will install up to 13 E-85 dispensers in different locations.



New Markets

- Selected Ford, GM, Daimler Chrysler, and Mercury vehicles are now flex-fuel (E-85 or gasoline) standard.
- Federal Executive Order, Clinton
 - ★ Federal fleets must use 10% alternative fuel by 2010
- State Executive Order, Governor Hodges
 - ★ Issued October 18, 2001



Updating the Strategic Plan: Role of the Energy Advisory Committee

Critical Path for 2002-2003 Strategic Plan Update

- | | |
|---|---|
| <ul style="list-style-type: none"> • December • January • February • March • April | <ul style="list-style-type: none"> • Determine customer groups • Conduct customer focus groups • Brief SCEO staff on results of focus groups • Conduct staff workshops for Strategy development • Write draft of Strategic Plan for 2002-2003 • Send draft Strategic Plan to EAC members • Hold third EAC meeting to receive input on Strategic Plan • Incorporate EAC input, complete Strategic Plan |
|---|---|



Updating the Strategic Plan: Role of the Energy Advisory Committee

Please give us your comments and ideas throughout the year.



Questions?



Energy Emergency Planning

Myrtle Beach, SC
July, 2001



Causes of Energy Disruptions

- ✱ Disasters caused by nature, such as hurricanes, floods, earthquakes, and tornadoes
- ✱ Dislocations in the energy industry
- ✱ National and international political events and terrorism



SC Energy Office's Role

- ✱ Emergency Support Function (ESF) 12
 - ★ SC Emergency Operations Plan
- ✱ Energy Emergency Information Coordinators (EEIC) Program
- ✱ EIA 782C data collection
- ✱ Administer Energy Emergency Response Plan



Statutory Authority

- ✱ Federal Legislation
 - ★ Executive Order 11490
 - ★ Executive Order 12656
 - ★ Emergency Policy and Conservation Act of 1979
 - ★ Energy Emergency Preparedness Act of 1982
- ✱ State Authority
 - ★ Executive Order 99-11
 - ★ Presidential Declaration
 - ★ Gubernatorial Declaration



SC's Energy Emergency Response Plan

- ✱ Completed in 1990
- ✱ Includes
 - ★ Ongoing preparedness activities
 - ★ Levels of Petroleum Shortage
 - ★ Response Mechanisms
 - ★ Public Information and Crisis Communication Program
 - ★ SC Fuel Allocation Plan
- ✱ Does not detail natural disaster response



Levels of Petroleum Shortage

☀ **Level I - Oil Shortage Alert**

Occurs prior to major impacts of the shortage-causing event, but after it becomes clear there may be shortages.



Levels of Petroleum Shortage

☀ **Level II - Slight-to-Moderate Shortage**

Characterized by spot shortages and gas lines in several areas of the state; serious inconvenience to some members of the public; slight but noticeable, impact upon some economic sectors.



Levels of Petroleum Shortage

☀ **Level III - Moderate-to-Severe Shortage**

Characterized by frequent, long gas lines; reduced retail sales, increased absenteeism at work, and/or substantially decreased revenues in auto-dependent businesses and industries (including tourism); possible curtailments of essential goods and services; other serious economic and social disruptions.



Public Information and Crisis Communication Program

☀ Program is activated upon declaration by the Governor.

☀ Objectives:

- ★ To provide citizens with accurate and timely information on the scope, nature, severity and possible duration of the emergency.
- ★ To provide visible leadership and encourage voluntary compliance.
- ★ To establish ongoing communications with other agencies and governments.



SC Fuel Allocation Plan

☀ Activated in the case of a declared energy emergency

☀ Includes:

- ★ Middle Distillate Fuel Shortage Contingency Plan
- ★ State Emergency Set-Aside Management



Since September 11

- ☀ Security at U.S. nuclear power plants and other critical energy infrastructure has been increased substantially.
- ☀ President Bush has ordered that the U.S. Strategic Petroleum Reserve (SPR) be filled to its current physical capacity of 700 million barrels, from about 545 million barrels at present.
- ☀ Many emergency information web sites have been taken off line until further notice.



Since September 11th

- ✱ World oil demand has fallen, in part due to sharply lower jet fuel demand.
- ✱ Decreased world oil demand as a result of reduced economic growth, combined with OPEC overproduction, have resulted in building inventories and sharply lower oil prices in world markets.
- ✱ In early November, the national average retail regular gasoline price was the lowest level since July 1999.



Next Steps

- ✱ Work with the Public Service Commission, the Department of Energy, and the Emergency Preparedness Division to update the Energy Emergency Plan.
- ✱ Update our contact database of suppliers providing petroleum products to SC.
- ✱ Participate in training exercises pertaining to the Plan.



Questions?

